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Labour and the Community

By W. M. CITRINE.

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SELF AND SOCIETY.

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THE CONTRIBUTORS.

Mr. Walter McLennan Citrine is a Lancashire man, born in Liverpool in 1887. He entered trades unionism through the electrical industry, and spent some busy years on Merseyside, organising and lecturing, before coming to London (via Manchester) in 1924. In 1926 he succeeded the late Fred Bramley in what has become the most outstanding secretarial post in the trade union world—a position which Mr. Citrine enhances by his wide outlook on social life.

SELF AND SOCIETY

Labour and the Community

by W. M. Citrine

*General Secretary of the Trade Union
Congress General Council; President of
the International Federation of Trade
Unions*

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Labour and the Community

I.

Trade Unions and the Public.

ORGANISED labour is a comparatively new factor in the life of society. Its advent has presented problems of a different character from those presented by practically all other forms of voluntary associations within the general framework of social life. Its history is one of struggle, often against the combined forces of both employers and State; but step by step it has won its way through, until to-day it is universally recognised that labour is destined to wield an influence in the affairs of the community immeasurably greater than its founders could possibly have foreseen.

No organised body, whatever its functions, can expect to be absolved from communal responsibility. Its social obligations grow in proportion to its power. That is particularly true of trade unionism, because of the specific economic purpose it exists to carry out. Its primary function is to protect the interests of the working class. Its method has been to combine the workers in every trade and industry, and to use the power of such organisation to secure a continuous improvement in the conditions of employment and a progressively higher status and standard of life. Inevitably, with such objects in view, the

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trade unions have frequently been compelled to adopt a policy and programme of action which has exposed them to criticism of an irresponsible use of their power for class purposes. Not infrequently, trade unionism has been misrepresented as being an anti-social force, dangerous to the stability and well-being of society. The direct and positive benefits accruing to the community from the existence of trade unions have at such times failed to obtain general acknowledgment. The State itself, at various stages, in the development of trade unionism has acted upon the view that the organisation of the workers is a potential social menace, and the history of trade union legislation supplies very piquant illustrations of this attitude. Only with reluctance, under the pressure of actual necessity, and because of proved injustice to organised labour, has Parliament itself consented to legislate and afford the protection of law to some of the activities of the unions. Allegations that the workmen's unions are above the law, and that their officials are granted an immunity from the consequences of their actions, are still circulated with a singular persistence. Seldom is it remembered that trade unionism is not confined to the workers. The lawyers, the doctors, and, in fact, professional men of almost every variety have their trade unions, which act quite as effectively, but not quite so obtrusively, as the workmen's organisations. The associations of employers are not now quite so free from public criticism as they used formerly to be, but, undoubtedly, the idea lingers that it is prin-

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cipally the workmen's trade unions which require the vigilant attention of the State to keep their activities in check.

What is the explanation of this? No doubt it is partly historical and traditional, reaching back to the period when the unions were not merely illegal, but criminal associations; when membership exposed the workers to the ferocious penalties of the law, ranging from the cutting-off of ears to transportation. When, despite repression, the unions not only survived, but grew in strength, Parliament reluctantly removed the taint of criminality attaching to membership. But even then the judges, with wondrous sophistry, decreed that the unions were still illegal. The intricacies of the many judgments in respect of trade unions are sufficient to leave the average lawyer dazed as to the real position the unions occupy in law. No wonder the man in the street, unable to see his way through the haze of legal controversy surrounding the subject, wearily assumes that the unions are above the law, and that they are aimed against the community in some way.

Trade unionism has put a check upon the sweater and the unscrupulous employer, and has compelled them, sometimes with the full support of public opinion, to mend their ways. It is scarcely more profitable to show that a long list of reforms, representing a contribution of approximately £300,000,000 a year, is now providing for the sick, disabled, the aged, the children, and the unemployed as a direct result of the efforts of the trade unions. Yet

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it would not be denied by the most inveterate opponent of trade unionism who has troubled to examine the facts, that the system of trade and friendly benefits built up and administered by the unions, long before the State itself made systematic provision for accidents, disease, intermittent employment, and old age, served a real social purpose. Few people give true weight to the contribution of the unions to social progress in their work of maintaining and improving the workers' standard of life, in safeguarding their interests in industry, in forcing provisions for factory inspection, securing compensation for accidents, in looking after the safety and health of those engaged in dangerous occupations, and in applying the pressure which has compelled employers to adopt more humane, enlightened, and efficient methods of management.

Even in this twentieth century it is doubtful whether very much is known generally of the activities of the trade unions in such matters. What is more clearly evident is that the unions are, from time to time, engaged in industrial conflicts which disturb the normal working of society. The origin and causes of these conflicts is not a matter to which much attention is paid by the average man who is inconvenienced by them. He has not the time, nor in some cases the inclination, to probe deep enough to perceive the underlying causes of which these conflicts are the consequence. The clerk who is forced to trudge several weary miles to and from his office because of a trade dispute on the London

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tubes or buses, or the housewife who suddenly finds the supply of coal curtailed because of a dispute between colliery-owners and miners, do not concern themselves very much with the question of who is right or wrong. In their good-natured British way, they utter a grumbling protest against employers and trade unionists, and then resign themselves to the inevitable. Naturally, the Government gets its share of criticism, too; but, then, what are Governments for, if not to blame? Still, I think it would not be denied that the feeling which lingers longest is one of resentment against the trade unions, coupled with a heartfelt wish that these conflicts could be avoided. It would be surprising if it were not so. That mighty organisation which creates as well as guides public opinion—the Press—has not always been fair and impartial in its statement of the claims of labour. Too often the idea has been promulgated that the unions have been irresponsibly led, and that they have shown too little consideration for the community; that they have been too prone to resort to strike action. Not always has labour had the access to the public mind that it has to-day. It is easy to magnify the disturbance to the community caused by strikes, and to place upon the shoulders of labour the responsibilities for upheavals, the real causes of which lie in the complex nature of society itself.

When we speak of the community, we too often delude ourselves into the assumption that the community is one organic whole, composed of units,

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each of which has identical interests with its neighbour. It was upon that flimsy foundation that the *laissez-faire* theory was erected by the economists and philosophers of the eighteenth century. They assumed that if man was left alone to pursue his own course, without undue restraint, his individual interests would coincide with those of the other members of society, and the final adjustment would be to the advantage of everyone. Sometime a state of society may be reached where that will be true, but the history of the last century has quite falsified the *laissez-faire* theory. The Schopenhauer conception of society as a collection of hedgehogs nestling together for warmth, was a good deal nearer the truth. Individuals prosecuting their own interests are far too prone to subordinate the interests of their neighbours to their own. Modern society is honey-combed with groups of people formed to prosecute some interest or other which they have in common.

It has been said that upon the struggle of these groups within society the progress of the community depends, but while all may not be prepared to accept such a sweeping generality, it is certainly true that to-day there is in practically every phase of communal life some group, association, or combination of individuals banded together to achieve some object they have in common. Industrial and commercial life, in particular, teems with such combinations. It is the principle of co-operation, applied for the almost exclusive benefit of the people within these associations. But why is it that, out of all

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these groups with their many and conflicting interests, it is to the trade unions that the consumer usually attributes the blame for industrial disturbances? Is it because trade unions are thought to be organised to foment industrial conflicts? Some such idea is evidently present in the minds of many people, and it is therefore necessary to say something about the purpose and functions of the trade union movement.

II.

What Trade Unions Do.

Let us for a moment look at the nature of the trade union. Broadly speaking, statutory definition regards a trade union as a combination of workmen, the principal objects of which are the regulation of relations between themselves and their employers, the imposing of restrictive conditions on the conduct of any trade or business, and the provision of benefits to the members.

The trade union exists to prevent members from being used by the employers to undercut the wages of their fellow-members. If there was unrestricted competition between workpeople, all offering themselves to the employer at different rates for their labour, the general tendency would be for this competition to lower wages and conditions for the whole number. The primary object of the trade union is to combine the wage-earners, and to try to organise them so that they will not sell their power to work below a figure which they have themselves agreed

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upon in the first place, and which has subsequently become a matter of negotiation and agreement with the employer. That, of course, is a very elementary and restricted view of the functions of trade unions, but it nevertheless shows the true and primary function. The unions are not dissimilar in that respect from the trust or the cartel. These organisations exist primarily for the purpose of combining a number of competing firms under one management, and so doing away with the competition which would otherwise exist between the individual firms, and which presumably would result in a lowering of prices.

The cartel differs from the trust in that, while each of the firms embraced within the cartel surrenders its right to compete except on certain terms, it still preserves its individual management and identity. The principle running right through such trade associations is the same, namely, that the units combine to avoid inter-competition, the tendency of which would be to force down prices. Trade rings, price-fixing associations, selling agencies, combinations of middlemen, are so well known as to require no description from me. How is it, then, that the operation of combines, which have an identically similar primary purpose as the trade unions, escape the censure which is so often attached to trade unions? I think the reason is that the conflict of interest between the combine and association on the one hand, and the consumer on the other, are not so obtruded upon the notice of the consumer. The

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mechanism of price-fixing is very intricate, and yet it works very unobtrusively. There are essentially limits to the power of a combination to raise prices, but these for the moment do not concern us here. A group of coal merchants, or colliery proprietors, or bakers, or dairymen, or farmers, may meet and determine that the commodity which they are concerned in producing or marketing must be sold on and after a given date at a certain definite price. Generally speaking, that price will become effective on that date. The consumer is practically powerless to influence prices, except in so far as he is combined in an association such as the co-operative society, which provides a very powerful check to the power of the producer and middlemen to fix prices. If the bakers decree that bread will be increased by a halfpenny per loaf as and from the 1st of March, the public have either to do without buying bread or pay the increase, and as, for a large section of the public at least, bread is still the staff of life, there is no practicable alternative but to pay the price laid down by the bakers. There is no dramatic disturbance to the normal working of the community. There is no withdrawal of the commodity from the market. It is not as though the bakers were to determine that after a certain date no loaves would be baked until they had obtained the extra halfpenny that they desired. That is quite unnecessary, because until the consuming public is in a position to do without bread, the bakers can practically determine its price. The operations of food councils and bodies

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designed to protect the consumer, but devoid of real effective legal authority, have not been shown in practice to curb this power of the trade associations to fix prices. There are all sorts of devices which are resorted to in industry and commerce to restrict the operation of the law of supply and demand. Restriction of output is the commonest of these, but again it is done so unobtrusively that millions of consumers are entirely ignorant of its operation.

But what of the trade unions? Can its members prescribe that on a certain date the price of labour will be increased by a penny per hour, or some such sum, or that the hours of labour will be reduced by so many per week? The members may agree among themselves that they will not sell their labour below the price they have fixed, but there are other factors which come into operation to restrict their power to make their decision effective. They find themselves faced by another trade union. This time it is a trade union of employers, called an employers' association. They are the buyers of labour, and before the trade union of the workmen is able to get the price it fixes for the labour which its members are selling, negotiation has to take place with the employers' trade union. If the employers' trade union refuses to buy labour power at the price the union demands, or, in other words, if it refuses to pay the wages which the workmen are seeking to obtain, a deadlock is reached. How can the trade union of the workmen then make its demand effective? It does not sell its commodity direct to the public, it has to sell it through the

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employer, and, as we have seen, the employers' trade union refuses to buy labour at the price the union requires. Unless means can be found to refer the matter at issue to the decision of some impartial authority, there is no course open to the union but to withdraw the services of its members entirely from the market until such time that the demand for labour has become so acute that the employers will be induced to agree to the wages demanded by the workmen.

This is a most important distinction. It is quite impossible for the workmen to do what the employers are able to do in respect of the commodities which the employers produce. As I have shown, there is no need for the employers to withdraw their commodities entirely from sale, principally because of the necessities of the consumer and the fact that the consumer is not organised. It therefore becomes perfectly obvious that unless the trade union possesses the power to withdraw the services of its members, or, in other words, the power to strike, it is greatly handicapped in trying to secure advances in wages, reduction in hours, or improvement in conditions. That is why this power to strike is so jealously guarded by the unions; they fully realise that the taking away of the power to strike is in effect depriving the union members of the power to make their demands effective.

It is essential the trade unions should have the power to strike, and on occasion they are compelled to resort to the strike. It is this which brings about

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the conflict which forces itself upon the attention of the consumer, because he is usually hit by conflict between employers and workmen. That is the tragedy of industrial conflict, as, in fact, of any other form of war, whether it be war between nations or war in industry. It is not always those who start the quarrel, or who are directly engaged in it, who suffer most. The aeroplane circling over a city and attempting to drop its bombs upon a strategical point brings devastation and misery to innocent non-combatants. It is sometimes assumed that the last person considered, if considered at all by the combatants in industry, is the consumer. Yet always in the background stands the consumer unable to escape from the consequences of the conflict. Nor are the consumers a class apart. Organised labour forms a very large section of the consuming public. It has been estimated that at least one-third of the total population of this country is composed of trade unionists and their dependents. Sometimes the first people to be hit by a trade dispute are those taking part in it. In any case, they have to go through a period of rigorous stringency because, when they withdraw their labour, their wages cease, and with the cessation of wages there is usually a curtailment of the power of the strikers to purchase even the bare necessities of life. That consideration alone is sufficient to deter a trade union from embarking upon a struggle without first seeking to explore every avenue to a settlement. The consumers seldom realise that there is a remarkable efficiency about the

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machinery of negotiation and settlement, in adjusting the differences which arise in industry between employers and workmen. The public merely sees the failures which are dramatically thrust under its nose when a strike or a lock-out takes place. It knows little of the very patient negotiation which takes place on the day-to-day problems in industry, and which settle all but a microscopical proportion of the differences which arise. It is consideration of the interests of the consumer and the public at large which often induce trade unions, whether of employers or workmen, to bring in an outsider as a conciliator or arbitrator to help to resolve their differences. It is in consideration of the consumer and the public that legislation has been introduced setting up courts of investigation, committees of inquiry, and such like bodies, charged with the duty of ascertaining the causes of industrial conflict as they arise in specific cases.

More and more employers and trade unions are finding it necessary to submit their cases to the examination of such bodies, and more and more the process of educating the public up to an understanding of industrial affairs is developing. Publicity of the facts in regard to industry and the causes leading up to trade disputes, coupled with the knowledge that sooner or later the parties will have to justify the action they have taken, is acting as a steadying factor in industrial relations. Not alone is it the power of one party to inflict loss upon the other which is the determining factor, but the inherent justice of the

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claim of each is growing in importance as a decisive influence in determining the result. The consumer is being educated by this process into a realisation that industrial conflict does not arise because of inherent cussedness or moral atavism on the part of those engaged in industry. He is coming to see that these disputes may arise as a consequence of something over which neither employers nor workers have any real direct control. A change in monetary policy may so effect the price of commodities as to project a conflict at a time when neither employers nor workers have the least desire to create trouble.

Twelve months before the lock-out in 1926 in the coal-mining industry, Professor J. M. Keynes, one of the most eminent of modern economists, predicted that the precipitate return to the gold standard would drive the employers to attempt to reduce the wages of the workers, and that this meant conflicts in industry. At the same time, he asserted that the workers would be bound to resist so long as they could, "and it must be war until those who are economically weakest are beaten to the ground."*

A leading European economist, Professor J. Schumpeter, suggests that the stabilisation of the £ at what was an artificial value "meant dislocating business, putting a premium on imports and a tax on exports, intensifying losses and unemployment."†

Even those who do not go the whole way with these

* *The Economic Consequences of Mr. Churchill*, by Professor J. M. Keynes, page 9 (Hogarth Press).

† *Economic Journal*, September, 1928, page 362.

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authorities, would agree that changes in monetary policy may have far-reaching effects upon industry and trade.

It is therefore a very rudimentary political economy which leads people to believe that the price a consumer must pay for commodities is a matter entirely within the control of those engaged as producers in industry. The control of the prime producers (that is, the employers and the workers) over the price ultimately paid by the consumer is not supreme. Nevertheless, it would be foolish to deny the possibility of joint action between employers and work-people to raise prices against the consumer. Such instances, I think, are extremely rare, but they do represent a potential influence upon prices which cannot be disregarded. There is, indeed, a strong inducement where industries are not exposed to foreign competition, or where a degree of effective monopoly exists, for the employers and the workmen to get together and so to arrange their relations as to get the greatest possible advantages for themselves at the expense of the consumer. But, as I have said earlier, their power in this respect is governed by a number of considerations, not the least of which is the effective demand of the consumer.

There is also, I think, a tendency to bring primary producers more into direct relationship with the consumer.

There are few people who have any good word to say for the middleman, although it may be quite legitimately argued that he serves, in the present

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mechanism of industry and commerce, a useful function. Unquestionably, the interposition of a chain of middlemen between the producers and the consumers has a tendency to increase prices, and research shows that the inflation of prices by this process has in many cases been excessive. The time will come, undoubtedly, when the absurdity of employing middlemen will be realised. The producing firms will get together, and, through selling agencies, will not merely sell to the wholesaler, but will sell direct to the public. That tendency has been particularly noticeable in recent years, and the middleman has come in for severe strictures in inquiries which took place under the Profiteering Act. Not only is it a question of the size of the profit taken by individual middlemen, but the multiplicity of hands through which commodities have passed to get from the primary producers to the consumer is a very serious factor. It is useless to look to a return to free competition as an element in bringing down prices and protecting the consumer. Capitalist combination to-day, at one stage or another of production, transportation, and distribution, affects the price of practically everything which is purchased by the consuming public.

III.

Direct Relations with Consumers.

Where is the consumer to look for protection? There are three principal directions. The first is public regulation of the activities of combines,

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trusts, and large organisations which are able to exert great influence on prices.

There is a growing volume of public opinion demanding publicity for the facts relating to, and the accounts of, these large-scale combinations. At least two of the three great political parties believe in public investigation of the activities of such bodies before appropriate tribunals, and with price-fixing by public authority as an ultimate safeguard.

The political party with which organised labour is directly associated has, in addition, long urged the formation of a Consumers' Council, vigilantly to watch over the interests of consumers.

An interesting suggestion has been put forward that higher dividends in such combinations should be made conditional upon lower prices, following the precedent which was established many years ago in the gas industry.

The second direction is public ownership, and it is not beyond practical politics for the State itself to act as merchant and importer of staple commodities.

The organisation of the consuming power of local authorities could be co-ordinated by a Ministry of Supply, with nationalisation of those services where monopoly has rendered that practicable. In this connection very valuable experience has been gained by the utilisation of direct labour, particularly on the housing schemes which have been undertaken by the municipal authorities.

The employment of direct labour by consumers,

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represented through the municipalities and the State itself, is not a new feature.

For many years the State has employed labour direct in a number of its departments in preference to taking the risk of being exploited by private contractors.

The great increase in post-war building costs was primarily responsible for municipalities dispensing with the contractors in housing schemes, and a tremendous amount of valuable experience has been gained of the advantages which accrued from such a method.

But it is in the third direction, namely, the great and ever-extending co-operative movement, where the most immediate remedy for the consumer against exploitation is to be found. Organised labour has always felt a strong sympathy and interest in this kindred movement. The trade unions can claim a special responsibility with regard to the origin and development of the co-operative movement, which has now become so considerable a factor in the general organisation of social life.

In the early days of trade unionism there was an influential school of thought which advocated the proposal of the self-governing workshop. That is to say, the idea was advocated of the workers themselves engaging in production as their own masters, and selling the product of their labour to other bodies of workers connected with other branches of industry on a co-operative basis.

The intervention of the merchant by widening the

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gap between the producer and consumer facilitated capitalist exploitation at both ends of the economic scale. It also forced the workers to organise in trade unions, and it brought into being the co-operative movement to protect the consumer by the organisation of markets. Trade unionism and the co-operative movement have been the two most powerful social instruments of the last hundred years. They had a common origin, and although organised in separate and independent movements, are identical in their ultimate purpose and aim. The growth of the co-operative movement is practically contemporaneous with that of the trade unions. Differing widely in their method and scope of their operations, and in the form of their organisation, the trade unions and the co-operative societies pursue upon converging paths an identical purpose, and aim at a common goal. The point where they will ultimately meet will be in that transformed society which we call the co-operative commonwealth.

Recognising that the capitalist system is based upon the appropriation of profit by the owners of land and the machinery of production, the traditional trade union purpose has been to secure for the wage-earner an increasing share of profit in the form of higher wages, shorter hours of labour, and improved conditions of employment.

The co-operative movement likewise originated as an organisation of producers. Originally, the co-operative idea was to organise voluntary associations of producers in self-supporting communities. Work-

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men in many places, inspired by the co-operative idea, formed groups with the object of accumulating sufficient capital to found a co-operative community, with the self-governing workshop as a nucleus for the more grandiose projects which Robert Owen contemplated. The co-operative retail distributive store came into existence as a means to this end.

Groups of workmen got together to purchase provisions at wholesale prices and retailed them amongst themselves at current prices, hoping in this way to accumulate the balance as capital, with which one workman after another would be able to remain making boots for the group, and others clothes, and so on, until enough capital was massed to purchase land and a co-operative community could be formed. These "union shops"—as they have been called to distinguish them from the later type of co-operative store, established by the Rochdale Pioneers—were intended to provide the means of organising communities of producers. For a variety of reasons they failed. Very often the temptation to distribute the profits proved too strong for the members of the group, or the process of accumulating capital was too slow to afford any practical prospect of buying land and organising a community. The "union shop" was succeeded by the co-operative society, which, on the Rochdale plan, distributed profits to the members in proportion to their purchases and paid a fixed interest on the share capital, each member's share of the profits being capitalised. This principle of dividends on purchase, introduced by the Rochdale

Pioneers, wrought a revolution in the methods of conducting the co-operative society. It brought home to millions of neglected consumers, for whom no kind of organisation had hitherto existed, the practical gains which resulted from applying those principles of combination among consumers that had long been practised by producers. It stimulated the accumulation of capital, without which it would not have been possible to bring into existence those palatial multiple distributive stores which have become so striking a feature of shopping life in most of our towns. It created the network of co-operative retail branches, familiar to both town and countryside, and paved the way for the organisation of services of such infinite variety, as to cover almost every class of domestic want.

The success of consumers' co-operation through the retail stores soon showed the necessity of reaching back into primary production itself, and so caused the formation of those great federal organisations, the English and the Scottish Co-operative Wholesale Societies.

The story of the development of those societies reads as a romance of absorbing interest. Probably not in the annals of working-class history in any country, is there to be found a record of such sustained enterprise and initiative as has resulted in the ownership and operation of the fields, factories, and workshops of the great Wholesale Societies.

The determination to protect the consumer caused co-operators to enter into the realm of finance, and

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their institutions are to be found daily functioning with formidable power in all forms of insurance and in banking.

Although consumers' co-operation to-day represents probably 90 per cent of the activities of the co-operative movement as a whole, it has not eliminated producers' societies, a number of which still flourish.

These productive societies are operated by capital contributed usually by distributive societies, shares held by the workers (accumulating as the result of bonuses paid on wages), and investments of individual co-operators. The management represents all these elements, but usually the workers are given a substantial representation. Profits are distributed, after paying interest on capital, in dividends to the purchasing societies and in bonuses to the workers.

Whilst the co-operative productive society appears to be the form of co-operative enterprise which can interest the worker most in his capacity as a producer, the complexity of communal life makes it nearly impossible for it to protect his interests as a consumer. The widespread variety of commodities which are exchanged in society, the geographical and economic factors which must be involved in production and marketing of those commodities, is of immense importance to the wage-earner in his dual capacity of producer and consumer.

Distribution is becoming a more and more important economic function, and the worker must necessarily have a direct interest in the co-operative organisation

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of distribution. Trade unionists have always recognised this, and the bulk of the membership of the retail co-operative societies in the industrial centres consists of trade unionists or, since so many women are members in their own right, of the wives of trade unionists.

In the early history of the two movements several attempts were made to link up production and consumption in a single organisation. The complexities of the economic system on both its productive side, and still more on the side of distribution, caused by the enormous development of mechanical transportation and the wide expansion of national and international markets, renders nowadays a single homogeneous organisation almost visionary. As trade unionism extends its control over productive industry, and assumes an enlarging responsibility for its administration on the one hand, and as the co-operative societies, on the other, develop the organisation of markets and at the same time engage more extensively in productive enterprise, the time must at length arrive when a close co-ordination of the two movements will become inevitable.

Just as the trade unions have succeeded in organising only a proportion of producers, so there remains outside the co-operative societies a vast mass of unorganised consumers. Our problems concern not only the relationship of organised labour to the organised consumer, but to the consumer and to the community at large.

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IV.

The Claims of Labour.

What does labour expect from the consumers ?
What have consumers a right to expect from labour ?

The claims of both have probably never been adequately mobilised, and any attempt to state them summarily would be almost certain to fail.

The immediate claims of the worker, however, range under three main headings:—

- (a) Adequate remuneration,
- (b) Security, and
- (c) A voice in control and management.

In the background of the first there is the feeling that someone in industry is making enormous profits, and that these profits are made at the expense of the workers. The contrasts between riches and poverty, which are everywhere apparent, intensify this idea. There is no doubt a great lack of understanding of the mechanism of industry and commerce, and probably the relationship of dividends to the attraction of capital and the development of individual undertakings is not properly appreciated. The intricate relations of the world's trade, and the niceties of developing markets, are subjects which are only understood in a very elementary way.

It is difficult to convince capable, efficient, and willing workmen that economic conditions necessitate that their lot in life should be bound up with an existence on wages which always mean a harassing struggle with poverty.

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Statistics propounded to prove that the huge sums taken from industry by individual capitalists would not materially affect the prosperity of the workers, if distributed amongst them, are not convincing.

Organised labour has determined to have a higher standard of life, and if that is not supplied by the existing social order, a stimulus will be given to those who advocate the forcible overthrow of the present social order.

Working hours, although they have been materially reduced in the post-war period, are still far too long, and there is an instinctive feeling that the employers are constantly on the lookout to increase the length of the working week. Progressive employers already perceive that prosperity is not to be attained by reducing wages and increasing hours, but they have still a long way to go to convert their fellows.

Security, whether of employment or provision for old age, is an essential part of the workers' claims. Those who have had personal experience of the moral and physical deterioration, and the loss of self-respect consequent upon prolonged unemployment, will realise the haunting dread which the worker feels. How far security can be guaranteed by individual firms or industries is a matter for investigation, but it is argued that the casualties resulting from fluctuations in trade should be shouldered by industry, just as are the casualties of industrial accidents.

Provision for unemployment is, however, generally recognised as a responsibility of the State, and the

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consumer, as a citizen, has a direct influence in that respect.

The third main claim of labour for a voice in control rests upon the conviction that there is no room to-day for industrial autocracy, any more than for political autocracy. It may be doubted whether a strict comparison between political and industrial democracy is possible, and there is a tremendous field to be explored before the claims of labour to control, whether the workshop or industry, can be presented in a sufficiently adequate form. Managerial efficiency and workshop discipline should not rest upon the fear of discharge. The problem of restoring the personal touch in industry, and of transmitting down the long chain of subordinates from directors to workers enlightened and humane industrial management, is not easy of solution.

The removal of the terrible monotony consequent upon machine production, the utilisation of the creative and constructive faculties of the workers within industry, are subjects to which will be found a solution when those directly interested apply their minds collectively with a single purpose of finding the means of achievement.

The consumer is not without responsibility in all of these matters, whether as an investor or as a citizen. The growth of a public conscience has been steadily emerging as an influence on industrial affairs for the last half century. There is a desire for better treatment of the workers, and the publicity of proceedings in connection with industrial disputes has caused an advance in that direction.

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Sometimes public conscience and inconvenience seem to move in direct proportion. A textile strike in Yorkshire may not cause an extra pulse-beat to a London solicitor, but a stoppage of London transport may make him realise there is something in the claims of the workers to which attention must be given.

The bargain hunter may give little or no thought to the wages paid in producing the commodities he or she seeks. The exhausted shop girl is too often expected to dance attendance with miraculous energy on the customer who sits comfortably at the counter. A conscience among consumers demanding fair conditions for those who serve them would do much to ensure the creation of those conditions. Selfishness is not an attribute peculiar to any one section of society, and thoughtlessness and lack of knowledge are often factors responsible for the comparative scanty interest paid to such matters.

The purchaser at the co-operative stores has at least the satisfaction of feeling that all reasonable efforts have been made to ensure that co-operative goods are produced under fair conditions and (as far as C.W.S. goods are concerned) by trade unionists.

V.

Consumers' Rights.

I have put forward some of the things which organised labour has the right to expect from consumers. What has the consumer the right to expect from labour? The consumer has the right to expect

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reciprocity. The organised consumer has a right to expect the trade unionist to be a co-operator, and so consume the goods which he knows to have been produced under equitable conditions.

The consumer generally can legitimately expect his interests not to be overlooked by organised labour in the field of production. He is justified in expecting efficient service, but at the same time he must not overlook the difficulty within the framework of capitalist-owned industry of giving it. He cannot blame the worker for being suspicious that his loyalty is too often appropriated for personal gain by those who employ him.

He should not overlook the comparative weakness of organised labour in the industrial field in securing that prices are not improperly moved against the consumer. It will be within the recollection of many that when, in July, 1920, the miners demanded a reduction of 14s. 2d. in the price of domestic coal, they were ridiculed on economic as well as other grounds. That was under the system where coal was controlled by the Government, which, acting as a single authority, had much greater powers to give effect to such a decision than is possible in the present diversely owned and controlled state of industry generally.

The consumer can fairly expect that services should not be disorganised by strikes and lock-outs until the community has had some opportunity to investigate the merits of the issue and to pronounce some view.

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Organised labour has never flinched from its responsibilities, and has nothing to fear from investigation, although it has fundamental objections to any attempt to interfere with its prerogative to withdraw labour.

It is through its great political party that organised labour can best execute some of its chief obligations to the consumer, and the record of consistent endeavour that it has made to safeguard his interests is a test of its sincerity.

The unceasing conflict of organised groups within society may obtrude themselves upon the notice of the community more and more as time goes on. The community will then be faced with the necessity of protecting itself against being exploited for private gain, whether by extortionate prices or adulterated and inferior quality of goods.

Finally, it will be found that it is upon the individual and his conception of his obligations to the other sections of the community that the ultimate responsibility rests.

Immense progress is shown in the pages of history in the broadening of outlook and the widening of conception of the responsibility of the individual. Society is nothing more than a collection of individuals, and when each perceives that his real interest lies in promoting the interest of his fellows, we shall be well on the road to that co-operative commonwealth which organised labour regards as the eventual form of society in which the interests of producers and consumers will alike be completely reconciled.

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Some Trade Union Statistics.

	DE U	CONGRU	EMBR	ers.
	Societies.		Affiliates	
180	—
1870	114	.....	*623,957	
1888	138	.....	*816,944	
1898	188	.....	1,184,241	
1908	214	.....	1,777,000	
1918	262	.....	4,532,085	
1928	196	.....	3,874,842	

* Duplicated by the inclusion of Trades Councils.

MEMBERSHIP OF ALL TRADE UNIONS.

Year.	Unions.	Membership.
1898	1,326	1,752,000
1908	1,268	2,485,000
1918	1,264	6,533,000
*1926	1,129	5,208,000

* Latest available statistics issued by Ministry of Labour.

INCOME AND EXPENDITURE OF REGISTERED UNIONS, 1925.*

No. of Unions on Register	579
No. of Members	4,492,177
Income (excluding £3,121,816, received in Unemployment Payments from the Ministry of Labour)	£8,838,411
Expenditure on—	
Unemployment Benefit	£4,527,328
Dispute Benefit	£313,189
Sick and Accident Benefit	£793,360
Funeral Benefit	£319,390
Other Benefit	£1,062,673
Political Fund	£113,701
Funds at beginning of Year	£11,533,119
Funds at end of Year	£12,716,640

*Latest available statistics issued by the Chief Registrar of Friendly Societies.

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